

# House File 650 - Introduced

HOUSE FILE 650

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 194)

## A BILL FOR

1 An Act relating to the funding of mental health and disability  
2 services by modifying the mental health and disability  
3 services property tax levy, providing for the expenditure  
4 and deposit of certain county hospital property tax  
5 revenues, requiring the use of specified excess cash flow  
6 funds, and including effective date and applicability  
7 provisions.  
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 222.73, subsection 2, paragraph b, Code  
2 2017, is amended to read as follows:

3 b. The per diem costs billed to each mental health and  
4 disability services region shall not exceed the per diem costs  
5 billed to the county region in the fiscal year beginning July  
6 1, ~~1996~~ 2016. ~~However, the per diem costs billed to a county~~  
7 ~~may be adjusted for a fiscal year to reflect increased costs~~  
8 ~~to the extent of the percentage increase in the statewide per~~  
9 ~~capita expenditure target amount, if any per capita growth~~  
10 ~~amount is authorized by the general assembly for that fiscal~~  
11 ~~year in accordance with section 331.424A.~~

12 Sec. 2. Section 230.20, subsection 2, paragraph b, Code  
13 2017, is amended to read as follows:

14 b. The per diem costs billed to each mental health and  
15 disability services region shall not exceed the per diem costs  
16 billed to the county region in the fiscal year beginning July  
17 1, ~~1996~~ 2016. ~~However, the per diem costs billed to a mental~~  
18 ~~health and disability services region may be adjusted annually~~  
19 ~~to reflect increased costs, to the extent of the percentage~~  
20 ~~increase in the statewide per capita expenditure target amount,~~  
21 ~~if any per capita growth amount is authorized by the general~~  
22 ~~assembly for the fiscal year in accordance with section 426B.3.~~

23 Sec. 3. Section 331.391, subsection 4, Code 2017, is amended  
24 by striking the subsection and inserting in lieu thereof the  
25 following:

26 4. a. If a region is meeting the financial obligations  
27 for implementation of its regional service system management  
28 plan for a fiscal year and residual funding is anticipated,  
29 the regional administrator shall reserve an adequate amount of  
30 unobligated and unencumbered funds for cash flow of expenditure  
31 obligations in the next fiscal year.

32 b. For fiscal years beginning July 1, 2017, July 1, 2018,  
33 and July 1, 2019, that portion of each region's cash flow  
34 amount reserved in the combined account or among all separate  
35 county accounts under the control of the governing board that

1 exceeds twenty-five percent of the gross expenditures from the  
2 combined account or from all separate county accounts under  
3 control of the governing board in the fiscal year preceding  
4 the fiscal year in progress shall be used in whole or in part  
5 to fund the payment of services provided under the regional  
6 service system management plan under section 331.393.

7     *c.* Each region shall certify to the department of management  
8 on or before December 1, 2020, and each December 1 thereafter,  
9 the amount of the region's cash flow amount in the combined  
10 account that is attributable to each county within the region  
11 based upon each county's proportionate amount of funding and  
12 contributions to the region or other methodology specified in  
13 the regional governance agreement or certify the cash flow  
14 amount for each separate county account that is under the  
15 control of the governing board at the conclusion of the most  
16 recently completed fiscal year.

17     *d.* (1) For fiscal years beginning on or after July 1, 2021,  
18 for each region having a population of one hundred thousand or  
19 over, the region's cash flow amount shall not exceed twenty  
20 percent of the gross expenditures from the combined account  
21 or from all separate county accounts under control of the  
22 governing board for the fiscal year preceding the fiscal year  
23 in progress.

24     (2) For fiscal years beginning on or after July 1, 2021,  
25 for each region having a population of less than one hundred  
26 thousand, the region's cash flow amount shall not exceed  
27 twenty-five percent of the gross expenditures from the combined  
28 account or from all separate county accounts under control of  
29 the governing board for the fiscal year preceding the fiscal  
30 year in progress.

31     Sec. 4. Section 331.424A, subsection 1, Code 2017, is  
32 amended by striking the subsection and inserting in lieu  
33 thereof the following:

34     1. For the purposes of part 6 of division III of this  
35 chapter, this section, and chapter 426B, unless the context

1 otherwise requires:

2     *a. "Base expenditure amount"* is an amount determined for  
3 each county that is the lesser of the following amounts:

4       (1) The county's base year expenditures for mental health  
5 and disabilities services, as defined in section 331.424A,  
6 subsection 1, paragraph "a", Code 2017.

7       (2) The product of the statewide per capita expenditure  
8 target amount multiplied by the county's population for the  
9 fiscal year beginning July 1, 2017.

10     *b. "Cash flow reduction amount"* means the amount calculated  
11 under subsection 4 and used to reduce a county budgeted amount  
12 under subsection 9 for fiscal years beginning on or after July  
13 1, 2021.

14     *c. "County budgeted amount"* means the amount calculated  
15 under subsection 9 and certified for levy under subsection 6.

16     *d. "County services fund"* means a county mental health and  
17 disabilities services fund created pursuant to this section.

18     *e. "Population"* means the population shown by the latest  
19 preceding certified federal census or the latest applicable  
20 population estimate issued by the federal government, whichever  
21 is most recent and available as of July 1 of the fiscal year  
22 preceding the fiscal year to which the funding calculations  
23 apply.

24     *f. "Region"* means a mental health and disability services  
25 region formed in accordance with section 331.389.

26     *g. "Regional per capita expenditure target amount"* means the  
27 amount determined in subsection 8 for each region.

28     *h. "Statewide per capita expenditure target amount"* means  
29 forty-seven dollars and twenty-eight cents.

30     Sec. 5. Section 331.424A, subsection 4, Code 2017, is  
31 amended by striking the subsection and inserting in lieu  
32 thereof the following:

33       4. *a.* An amount of unobligated and unencumbered funds,  
34 as specified in the regional governance agreement entered  
35 into by the county under section 331.392, shall be reserved

1 in the county services fund to address cash flow obligations  
2 in the next fiscal year, subject to the limitations of this  
3 subsection.

4     *b.* For fiscal years beginning July 1, 2017, July 1, 2018,  
5 and July 1, 2019, that portion of each county's cash flow  
6 amount reserved in the county services fund that exceeds an  
7 amount equal to twenty-five percent of the gross expenditures  
8 from the county services fund in the fiscal year preceding  
9 the fiscal year in progress shall be used in whole or in part  
10 to fund the county's financial obligations for the payment of  
11 services provided under the regional service system management  
12 plan under section 331.393.

13     *c.* Each county shall as part of the financial report  
14 required under section 331.403 certify the county's cash flow  
15 amount in the county services fund at the conclusion of the  
16 most recently completed fiscal year.

17     *d.* For each fiscal year beginning on or after July 1,  
18 2021, of a county's cash flow amount maintained in the county  
19 services fund or of the region's cash flow amount attributable  
20 to the county under section 331.391, subsection 4, paragraph  
21 "c", an amount equal to the county's cash flow reduction amount  
22 shall be used to fund the county's financial obligations for  
23 the payment of services provided under the regional service  
24 system management plan under section 331.393.

25     *e.* For each fiscal year beginning on or after July 1, 2021,  
26 each county's cash flow reduction amount shall be determined as  
27 follows and shall result in a reduction of the county budgeted  
28 amount determined pursuant to subsection 9:

29     (1) For each county located in a region having a population  
30 of one hundred thousand or over, the county's cash flow  
31 reduction amount equals the sum of the county's cash flow  
32 amount in the county services fund plus the most recent amount  
33 certified by the region for the county under section 331.391,  
34 subsection 4, paragraph "c", minus twenty percent of the gross  
35 expenditures from the county services fund in the fiscal year

1 preceding the fiscal year in progress. However, the cash flow  
2 reduction amount shall not be less than zero and shall not  
3 exceed the county budgeted amount determined under subsection 9  
4 prior to any reduction resulting from the cash flow reduction  
5 amount.

6 (2) For each county located in a region having a population  
7 of less than one hundred thousand, the county's cash flow  
8 reduction amount equals the sum of the county's cash flow  
9 amount in the county services fund plus the most recent amount  
10 certified by the region for the county under section 331.391,  
11 subsection 4, paragraph "c", minus twenty-five percent of the  
12 gross expenditures budgeted from the county services fund for  
13 the fiscal year in progress. However, the cash flow reduction  
14 amount shall not be less than zero and shall not exceed the  
15 county budgeted amount determined under subsection 9 prior to  
16 any reduction resulting from the cash flow reduction amount.

17 Sec. 6. Section 331.424A, subsections 6 and 7, Code 2017,  
18 are amended to read as follows:

19 6. For each fiscal year, the county shall certify a levy  
20 for payment of services. For each fiscal year, county revenues  
21 from taxes imposed by the county credited to the county  
22 services fund shall not exceed an amount equal to the county  
23 budgeted amount of ~~base year expenditures for mental health~~  
24 ~~and disability services~~ for the fiscal year. A levy certified  
25 under this section is not subject to the appeal provisions of  
26 section 331.426 or to any other provision in law authorizing  
27 a county to exceed, increase, or appeal a property tax levy  
28 limit.

29 7. Appropriations specifically authorized to be made from  
30 the ~~mental health and disabilities~~ county services fund shall  
31 not be made from any other fund of the county.

32 Sec. 7. Section 331.424A, subsection 8, Code 2017, is  
33 amended by striking the subsection and inserting in lieu  
34 thereof the following:

35 8. For the fiscal year beginning July 1, 2017, and each

1 subsequent fiscal year, the regional per capita expenditure  
 2 target amount is the sum of the base expenditure amount for all  
 3 counties in the region divided by the population of the region.  
 4 However, a regional per capita expenditure target amount shall  
 5 not exceed the statewide per capita expenditure target amount.

6 Sec. 8. Section 331.424A, Code 2017, is amended by adding  
 7 the following new subsection:

8 NEW SUBSECTION. 9. For the fiscal year beginning July 1,  
 9 2017, and each subsequent fiscal year, the county budgeted  
 10 amount determined for each county shall be the amount necessary  
 11 to meet the county's financial obligations for the payment  
 12 of services provided under the regional service system  
 13 management plan approved pursuant to section 331.393, not to  
 14 exceed an amount equal to the product of the regional per  
 15 capita expenditure target amount multiplied by the county's  
 16 population, and, for fiscal years beginning on or after July 1,  
 17 2021, reduced by the amount of the county's cash flow reduction  
 18 amount for the fiscal year calculated under subsection 4, if  
 19 applicable.

20 Sec. 9. Section 331.432, subsection 3, Code 2017, is amended  
 21 to read as follows:

22 3. Except as authorized in [section 331.477](#), transfers  
 23 of moneys between the county ~~mental health and disabilities~~  
 24 services fund created pursuant to [section 331.424A](#) and any  
 25 other fund are prohibited. This subsection does not apply  
 26 to transfers made pursuant to section 347.7, subsection 1,  
 27 paragraph "c".

28 Sec. 10. Section 347.7, subsection 1, Code 2017, is amended  
 29 by adding the following new paragraph:

30 NEW PARAGRAPH. c. For the fiscal years beginning July  
 31 1, 2017, July 1, 2018, and July 1, 2019, if a county public  
 32 hospital is located in a county having a population of two  
 33 hundred twenty-five thousand or over and having a county  
 34 budgeted amount for the fiscal year under section 331.424A,  
 35 subsection 9, equal to the product of the regional per

1 capita expenditure target amount multiplied by the county's  
2 population, as those terms are defined in section 331.424A, the  
3 board of trustees shall appropriate for payment on July 1 of  
4 each such fiscal year from the county public hospital fund to  
5 the board of supervisors for deposit in the county services  
6 fund created pursuant to section 331.424A, two million eight  
7 hundred thousand dollars and the county public hospital shall  
8 in each such fiscal year provide care and treatment to patients  
9 who are residents of the county and whose costs for such care  
10 and treatment would otherwise qualify for payment from the  
11 county services fund under section 331.424A, in an amount equal  
12 to three million five hundred thousand dollars.

13 Sec. 11. Section 426B.1, subsection 2, Code 2017, is amended  
14 to read as follows:

15 2. Moneys shall be distributed from the property tax  
16 relief fund to counties for the mental health and disability  
17 regional service system for ~~providing county base property tax~~  
18 ~~equivalent equalization payments and the per capita growth~~  
19 ~~amount established pursuant to~~ section 426B.3 mental health and  
20 disabilities services, in accordance with the appropriations  
21 made to the fund and other statutory requirements.

22 Sec. 12. Section 426B.2, Code 2017, is amended to read as  
23 follows:

24 **426B.2 Property tax relief fund payments.**

25 ~~1.~~ The director of human services shall draw warrants on the  
26 property tax relief fund, payable to the county treasurer in  
27 the amount due to a county in accordance with ~~section 426B.3~~  
28 statutory requirements, and mail the warrants to the county  
29 auditors in July and January of each year.

30 ~~2.~~ As used in ~~this chapter~~ and in section 331.424A, for  
31 ~~purposes of population-based funding calculations, "population"~~  
32 ~~means the population shown by the latest preceding certified~~  
33 ~~federal census or the latest applicable population estimate~~  
34 ~~issued by the federal government, whichever is most recent and~~  
35 ~~available as of July 1 of the fiscal year preceding the fiscal~~



1 ~~year to which the funding calculations apply.~~

2 Sec. 13. REPEAL. Section 426B.3, Code 2017, is repealed.

3 Sec. 14. COUNTY BUDGET RECERTIFICATION. If this Act takes  
4 effect on or after March 15, 2017, notwithstanding section  
5 24.17, for the fiscal year beginning July 1, 2017, a county may  
6 recertify the county's budget as necessary to implement the  
7 provisions of this Act. A budget recertified pursuant to this  
8 section must be recertified in duplicate to the county auditor  
9 not later than thirty days after the effective date of this  
10 Act, and protests to the budget shall be filed not later than  
11 ten days after the county's budget is recertified.

12 Sec. 15. MENTAL HEALTH AND DISABILITY SERVICES FUNDING —  
13 FISCAL VIABILITY REVIEW DURING 2018 LEGISLATIVE INTERIM. The  
14 legislative council is requested to authorize a study  
15 committee to analyze the viability of the mental health and  
16 disability services funding provisions in this Act, including  
17 the methodology used to calculate and determine the base  
18 expenditure amount, the county budgeted amount, the regional  
19 per capita expenditure target amount, the statewide per  
20 capita expenditure target amount, and the cash flow reduction  
21 amount. The study committee shall consist of five members of  
22 the senate, three of whom shall be appointed by the majority  
23 leader of the senate and two of whom shall be appointed by  
24 the minority leader of the senate, and five members of the  
25 house of representatives, three of whom shall be appointed by  
26 the speaker of the house of representatives and two of whom  
27 shall be appointed by the minority leader of the house of  
28 representatives. The study committee shall meet during the  
29 2018 legislative interim to make appropriate recommendations  
30 for consideration during the 2019 legislative session in a  
31 report submitted to the general assembly by January 15, 2019.

32 Sec. 16. WORKGROUP — MENTAL HEALTH, DISABILITY, AND  
33 SUBSTANCE USE DISORDER SERVICES. The department of human  
34 services shall convene a stakeholder workgroup to make  
35 recommendations relating to the delivery of, access to, and

1 coordination and continuity of mental health, disability, and  
2 substance use disorder services and supports for individuals  
3 with mental health, disability, and substance use disorder  
4 needs, particularly for individuals with complex mental  
5 health, disability, and substance use disorder needs. The  
6 workgroup shall be comprised of representatives from community  
7 mental health centers, law enforcement agencies, the national  
8 alliance on mental illness, the Iowa hospital association,  
9 the judicial system, mental health and disability services  
10 regions, substance abuse treatment providers, the department  
11 of public health, and other entities as appropriate. The  
12 report shall incorporate selected strategies from community  
13 service plans submitted by the mental health and disability  
14 services regions to the department of human services pursuant  
15 to this Act to address services and supports for individuals  
16 with mental health, disability, and substance use disorder  
17 needs, particularly for individuals with complex mental health,  
18 disability, and substance use disorder needs. The workgroup  
19 shall submit a report with recommendations to the governor and  
20 general assembly by December 15, 2017.

21     Sec. 17. REGIONAL WORKGROUP — MENTAL HEALTH AND DISABILITY  
22 REGIONAL SERVICES.

23     1. The regional administrator of each mental health  
24 and disability services region shall convene a stakeholder  
25 workgroup to meet on a regular basis, beginning July 1, 2017,  
26 to create collaborative policies and processes relating to  
27 the delivery of, access to, and continuity of services for  
28 individuals with mental health, disability, and substance use  
29 disorder needs, particularly for individuals with complex  
30 mental health, disability, and substance use disorder needs.  
31 Each region shall review resources currently available  
32 including the reduction of mental health and disability  
33 services fund balances and options for combining funding from  
34 different sources, particularly funding available pursuant  
35 to Tit. XIX of the federal Social Security Act, and shall

1 consider providing additional services and supports in their  
2 own region or partnering with one or more regions to provide  
3 additional services and supports to serve such individuals.  
4 The workgroup shall be comprised of representatives from  
5 hospitals, the judicial system, law enforcement agencies,  
6 managed care organizations, mental health providers, crisis  
7 service providers, substance abuse providers, the national  
8 alliance on mental illness, and other entities as appropriate.

9     2. Each mental health and disability services region  
10 shall submit a community service plan to the department of  
11 human services by October 16, 2017. The plan shall include  
12 planning and implementation time frames and assessment tools  
13 for determining the effectiveness of the plan in achieving the  
14 department's identified outcomes for success in the delivery  
15 of, access to, and coordination and continuity of services and  
16 supports for individuals with mental health, disability, and  
17 substance use disorder needs, particularly for individuals with  
18 complex mental health, disability, and substance use disorder  
19 needs, and financial strategies to support the plan including  
20 combined funding from different sources, particularly funding  
21 available pursuant to Tit. XIX of the federal Social Security  
22 Act. The plan shall address how mental health and disability  
23 services regions will spend down mental health and disabilities  
24 services fund balances remaining from the fiscal year ending  
25 June 30, 2016.

26     3. The regional administrator of each mental health and  
27 disability services region shall enter into a memorandum of  
28 understanding with each of Iowa's managed care organizations  
29 that delineates the roles and responsibilities of the region  
30 and the managed care organizations in relation to the plan  
31 developed by the region to address the services and supports  
32 necessary to meet the needs of individuals with mental health,  
33 disability, and substance use disorder needs, particularly  
34 individuals with complex mental health, disability, and  
35 substance use disorder needs.



1 taxes levied by the county and credited to a county mental  
2 health and disabilities services fund created pursuant to Code  
3 section 331.424A (county services fund) shall not exceed the  
4 lower of the amount of the county's base year expenditures for  
5 mental health and disability services or the amount equal to  
6 the product of the statewide per capita expenditure target  
7 for the fiscal year beginning July 1, 2013, multiplied by the  
8 county's general population for the applicable fiscal year.  
9 After June 30, 2017, current law provides that county revenues  
10 from property taxes levied and credited to the county services  
11 fund shall not exceed an amount equal to the county's base year  
12 expenditures for these services.

13 The bill amends Code section 331.424A relating to the amount  
14 of county funding for mental health and disability services  
15 and the amount of property taxes levied for payment of such  
16 services.

17 The bill establishes a methodology for establishing a  
18 regional per capita expenditure target amount. For the fiscal  
19 year beginning July 1, 2017, and succeeding fiscal years, the  
20 regional per capita expenditure target amount for each region  
21 is the sum of the base expenditure amount for all counties  
22 in the region divided by the population of the region. The  
23 bill defines "base expenditure amount" as the lesser of either  
24 the county's base year expenditures for mental health and  
25 disabilities services, as defined in section 331.424A, Code  
26 2017, or the product of \$47.28 multiplied by the county's  
27 population for the fiscal year beginning July 1, 2017.  
28 However, the bill prohibits a regional per capita expenditure  
29 target amount that exceeds the statewide per capita expenditure  
30 target amount.

31 Under the bill, a county is required to certify a property  
32 tax levy for payment of services in an amount not to exceed the  
33 county budgeted amount for the fiscal year. For the fiscal  
34 year beginning July 1, 2017, and subsequent fiscal years,  
35 each county's budgeted amount shall be the amount necessary

1 to meet the county's financial obligations for the payment of  
2 services under the regional service system management plan, not  
3 to exceed an amount equal to the product of the regional per  
4 capita expenditure target amount multiplied by the county's  
5 population, and, for fiscal years beginning on or after July  
6 1, 2021, reduced by the county's cash flow reduction amount,  
7 if applicable.

8 The bill amends Code section 331.391(4) relating to the  
9 authority of a region to reserve an adequate amount for  
10 cash flow expenditures in the next fiscal year. Under the  
11 bill, if a region is meeting the financial obligations for  
12 implementation of its regional service system management plan  
13 for a fiscal year and residual funding is anticipated, the  
14 regional administrator shall reserve an adequate amount of  
15 unobligated and unencumbered funds for cash flow of expenditure  
16 obligations in the next fiscal year.

17 The bill requires that for fiscal years beginning July 1,  
18 2017, July 1, 2018, and July 1, 2019, that portion of each  
19 region's cash flow amount reserved that exceeds 25 percent of  
20 the gross expenditures from the region's combined account or  
21 from all separate county accounts under the control of the  
22 governing board in the fiscal year preceding the fiscal year  
23 in progress shall be used in whole or in part to fund the  
24 payment of services provided under the regional service system  
25 management plan.

26 Each region is also required to either certify to the  
27 department of management on or before December 1, 2020, and  
28 each December 1 thereafter, the amount of the region's cash  
29 flow amount in the combined account that is attributable  
30 to each county within the region based upon each county's  
31 proportionate amount of funding and contributions to the region  
32 or other methodology specified in the regional governance  
33 agreement or certify the cash flow amount for each separate  
34 county account that is under the control of the governing board  
35 at the conclusion of the most recently completed fiscal year.

1 The bill provides that for fiscal years beginning on or after  
2 July 1, 2021, for each region having a population of 100,000  
3 or over, the region's cash flow amount shall not exceed 20  
4 percent of the gross expenditures from the region's combined  
5 account or from all separate county accounts under control of  
6 the governing board for the fiscal year preceding the fiscal  
7 year in progress. For fiscal years beginning on or after July  
8 1, 2021, for each region having a population of less than  
9 100,000, the region's cash flow amount shall not exceed 25  
10 percent of the gross expenditures from the region's combined  
11 account or from all separate county accounts under control of  
12 the governing board for the fiscal year preceding the fiscal  
13 year in progress.

14 Under current law, counties are required to reserve an  
15 amount to address cash flow obligations in the next fiscal  
16 year that does not exceed 25 percent of the gross expenditures  
17 budgeted from the county services fund for the fiscal year  
18 in progress. Under the bill, an amount of unobligated and  
19 unencumbered funds, as specified in the regional governance  
20 agreement, shall be reserved in the county services fund to  
21 address cash flow obligations in the next fiscal year, subject  
22 to the limitations in the bill.

23 For fiscal years beginning July 1, 2017, July 1, 2018, and  
24 July 1, 2019, that portion of each county's cash flow amount  
25 reserved in the county services fund that exceeds an amount  
26 equal to 25 percent of the gross expenditures from the county  
27 services fund in the fiscal year preceding the fiscal year in  
28 progress shall be used in whole or in part to fund the county's  
29 financial obligations for the payment of services provided  
30 under the regional service system management plan.

31 The bill requires each county, as part of the county's annual  
32 financial report, to certify the county's cash flow amount in  
33 the county services fund at the conclusion of the most recently  
34 completed fiscal year.

35 For each fiscal year beginning on or after July 1, 2021, of

1 a county's cash flow amount maintained in the county services  
2 fund or of the region's cash flow amount attributable to the  
3 county, an amount equal to the county's cash flow reduction  
4 amount shall be used to fund the county's financial obligations  
5 for the payment of services provided under the regional service  
6 system management plan and shall result in a reduction of the  
7 county budgeted amount.

8 For each county located in a region having a population of  
9 100,000 or over, the county's cash flow reduction amount equals  
10 the sum of the county's cash flow amount in the county services  
11 fund plus the most recent amount certified by the region for  
12 the county as required in the bill, minus 20 percent of the  
13 gross expenditures from the county services fund in the fiscal  
14 year preceding the fiscal year in progress. However, the cash  
15 flow reduction amount shall not be less than zero and shall  
16 not exceed the county budgeted amount prior to any reduction  
17 resulting from the cash flow reduction amount.

18 For each county located in a region having a population of  
19 less than 100,000, the county's cash flow reduction amount  
20 equals the sum of the county's cash flow amount in the county  
21 services fund plus the most recent amount certified by the  
22 region for the county as required in the bill, minus 25 percent  
23 of the gross expenditures budgeted from the county services  
24 fund for the fiscal year in progress. However, the cash  
25 flow reduction amount shall not be less than zero and shall  
26 not exceed the county budgeted amount prior to any reduction  
27 resulting from the cash flow reduction amount.

28 The bill provides that for the fiscal years beginning July  
29 1, 2017, July 1, 2018, and July 1, 2019, if a county public  
30 hospital is located in a county having a population of 225,000  
31 or over and having a county budgeted amount for the fiscal year  
32 equal to the product of the regional per capita expenditure  
33 target amount multiplied by the county's population, the board  
34 of trustees of the county public hospital shall appropriate  
35 for payment on July 1 of each such fiscal year from the county



1 public hospital fund to the board of supervisors for deposit in  
2 the county services fund, \$2.8 million and the county public  
3 hospital shall in each such fiscal year provide care and  
4 treatment to patients who are residents of the county and whose  
5 costs for such care and treatment would otherwise qualify for  
6 payment from the county services fund, in an amount equal to  
7 \$3.5 million.

8 The bill repeals Code section 426B.3 relating to per capita  
9 funding and repayments of Medicaid offset amounts and makes  
10 conforming Code changes to other provisions of law.

11 The bill provides that, notwithstanding the deadline for  
12 certifying a county budget, for the fiscal year beginning  
13 July 1, 2017, a county may recertify the county's budget as  
14 necessary to implement the bill if the bill takes effect after  
15 the budget certification deadline. A budget recertified  
16 pursuant to the bill must be recertified to the county auditor  
17 no later than 30 days after the effective date of the bill,  
18 and protests to the budget must be filed no later than 10 days  
19 after the county's budget is recertified.

20 The bill requests the legislative council to authorize  
21 a study committee to analyze the viability of the mental  
22 health and disability services funding provisions in the bill,  
23 including the methodology used to calculate and determine  
24 the base expenditure amount, the county budgeted amount, the  
25 regional per capita expenditure target amount, the statewide  
26 per capita expenditure target amount, and the cash flow  
27 reduction amount. The study committee shall consist of 10  
28 legislative members appointed as specified in the bill. The  
29 study committee shall meet during the 2018 legislative interim  
30 to make appropriate recommendations for consideration during  
31 the 2019 legislative session in a report submitted to the  
32 general assembly by January 15, 2019.

33 The bill requires the department of human services to  
34 convene a stakeholder workgroup to make recommendations  
35 relating to the delivery of, access to, and coordination

1 and continuity of mental health, disability, and substance  
2 use disorder services and supports for individuals with  
3 mental health, disability, and substance use disorder needs,  
4 particularly for individuals with complex mental health,  
5 disability, and substance use disorder needs. The bill  
6 specifies the composition of the workgroup and the contents of  
7 the report required to be submitted to the governor and the  
8 general assembly by December 15, 2017.

9 The bill also requires the regional administrator of each  
10 mental health and disability services region to convene a  
11 stakeholder workgroup to meet on a regular basis, beginning  
12 July 1, 2017, to create collaborative policies and processes  
13 relating to the delivery of, access to, and continuity of  
14 services for individuals with mental health, disability, and  
15 substance use disorder needs, particularly for individuals with  
16 complex mental health, disability, and substance use disorder  
17 needs. The bill specifies the topics to be reviewed and  
18 addressed by the workgroup. Each mental health and disability  
19 services region is required to submit a community service plan  
20 to the department of human services by October 16, 2017. The  
21 bill specifies the contents of the plan. The department of  
22 human services is required to submit a report to the governor  
23 and general assembly by December 3, 2018, providing a summary  
24 of services implemented by each mental health and disability  
25 services region and an assessment of each region in achieving  
26 the department's identified outcomes for success.

27 The bill takes effect upon enactment and applies to fiscal  
28 years beginning on or after July 1, 2017.

29 The bill does not affect the operation of, or prohibit the  
30 application of, prior provisions of law amended or repealed by  
31 the bill, or rules adopted to administer prior provisions of  
32 law amended or repealed by the bill, for fiscal years beginning  
33 before July 1, 2017.